

48154

CONFIDENTIAL SECRET

152

# EUROPE

1. YUGOSLAVIA: British do not expect attack before summer--  
The US Military Attache in London reports that the British War Office has made a study of recent reports indicating an increased possibility of an attack on Yugoslavia and has concluded that "in default of confirmation, an attack on Yugoslavia before early summer is unlikely." The War Office cites as its reasons for this conclusion that: (a) the Satellite armies will not have had time before then to absorb the new Soviet equipment being received; and (b) a projected "Joint General Staff of the Soviet-Satellite countries" is reportedly scheduled to hold its first meeting on 20 March 1951.

25X1

Allen in Belgrade foresees no imminent attack--  
US Ambassador Allen in Belgrade submits his views on the possibility of an attack on Yugoslavia. Warning that the Embassy has few solid facts and no knowledge of military activity in the Satellite states indicating preparation for attack, Allen says he is inclined to doubt, from a purely political point of view, that there will be open aggression against Yugoslavia in the near future. Allen reasons that Tito has kept his status as a Communist and a neutral sufficiently clear to make any attack on him appear as flagrant aggression in the eyes of the world, including the majority of those who, like the British Labor Party, are still unable to perceive "a clear-cut case" of aggression in Korea. Allen grants "it is dangerous to presume" that the Cominform leaders will act logically, but he retains the belief that West Germany is more likely than Yugoslavia to be the next point of Cominform aggression in Europe. Tito has told Allen that if the Kremlin decides on an attack elsewhere in Europe, and endeavors simultaneously

25X1

State Dept. review completed

- 1 -

DIA review completed.

Document No. 047  
NO CHANGE in Class. ☐  
☐ DECLASSIFIED  
Class. CHANGED TO: TS S ☒ C  
DDA Memo, 4 Apr 77  
Auth: DDA REG. 77/1763  
Date: 31 MAR 1979 By:           

25X1

CONFIDENTIAL SECRET

**TOP SECRET**  
**CONFIDENTIAL**

to keep Yugoslavia neutral, he will "participate with all his force" in opposing aggression anywhere in Europe. Allen comments that he does not have "full confidence" in this protestation, but points out that even a benevolently neutral Yugoslavia would be of great benefit to the West.

2. FRANCE: Burden of Indochina operation growing--US Embassy Paris foresees difficulty for the French Government in undertaking the additional burdens of the projected 1951 Indochina program, in view of new budget demands for Western European defense and for such increased domestic expenditures as import subsidies and family allocations. In this situation, the Embassy believes that once again serious doubts will arise in the Cabinet over whether France can continue to give a blank check to bolster the Indochinese economy. The Embassy believes that if the French Government actually turns over economic control to the Associated States, as determined by the Pau Conference, France will lose its quasi-monopoly on the Indochinese market and some prestige and influence in Indochina. The Embassy believes, however, that no matter how unpleasant the change may be for the French after their tremendous investment in Indochina, the French Government cannot avoid the hard fact that the growing burden of the Indochinese operation is beyond the capacities of the French nation if it is to keep its own economy in order and make its necessary contribution to the defense of Western Europe.

25X1

**FAR EAST**

3. INDOCHINA: New government received "tepidly"--US Ambassador Heath in Saigon reports that the new Viet Government has now taken over and that its reception by the public

25X1

- 2 -

**CONFIDENTIAL**  
**TOP SECRET**

~~CONFIDENTIAL~~  
T O P S E C R E T

has been at best "tepid." Heath states that Bao Dai's acquiescence to the new Cabinet, which accomplishes none of the purposes of his national union project, appears to be a complete abandonment of his brief essay at real leadership. Heath believes there is not one figure in the Cabinet capable, on the basis of record, of providing popular inspiration or enlisting public enthusiasm; the majority of the 16 ministers are generally believed, or suspected of being, strongly pro-French or subservient to French interests. However, Heath thinks it is premature to write off the Huu Government. He also does not believe that the opposition will have early success in ousting Huu or that scattered elements of the opposition will foment popular disorder or defect to the Viet Minh. The Ambassador notes that none of the events since last December--the Pau agreements, transfer of revenues, the decision to activate a national army, Bao Dai's appeals for unity and support, de Lattre's dynamism, and French victories in the north--has had an appreciable impact on the Viet political mind.

- 3 -

~~CONFIDENTIAL~~  
T O P S E C R E T